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December 31, 1985

EXECUTIVE DEMAND INDEX

1985 - Fourth Quarter and Annual Results

During the fourth quarter of 1985, the AY/ERC Executive Demand Index registered at 93 (based on a mean quarterly demand of 100 during 1978). Demand during the fourth quarter declined by 16% when compared to the same quarter in 1984.

NATIONAL SUMMARY

The total demand for business executives during 1985 decreased by 11% compared with demand measured during 1984.

Other comparisons of 1985 with 1984 showed that decreases in executive demand were realized in all geographic regions. Demand fell in the International region, down 47%; in the West and in the Southwest, down 14% in both regions; in the Midwest, down 13%; in the Northeast, down 7%; and in the Southeast, down 5%.

During 1985, decreases in executive demand were also noted in all functional categories: general management, down 31%; personnel, down 21%; engineering and science, down 17%; operations, down 13%; marketing and sales, down 10%; finance, down 6%; and administration, down 2%.

National Summary (cont'd)

One industry grouping registered increased executive demand during the year: demand increased 8% among financial services companies. Demand declined 22% among manufacturing companies and 2% among general services companies.

During the fourth quarter of 1985--compared with the same quarter of 1984--executive demand declined in all geographic regions, with the greatest drop occurring in the International region, down 63%. Demand declined in the Midwest, down 19%; in the West, down 17%; in the Northeast, down 16%; in the Southwest, down 15%; and in the Southeast, down 1%.

During the fourth quarter of 1985, all functional categories also registered decreased executive demand: general management, down 44%; finance, down 18%; marketing and sales, down 17%; operations and personnel, both down 16%; administration, down 11%; and engineering and science, down 8%.

An analysis of changes in executive demand among industry groupings during the fourth quarter of 1985, compared with the same quarter of 1984, showed increases in demand among general services and financial services companies--up 10% and 1%, respectively. Manufacturing companies registered a substantial 37% decrease in demand.

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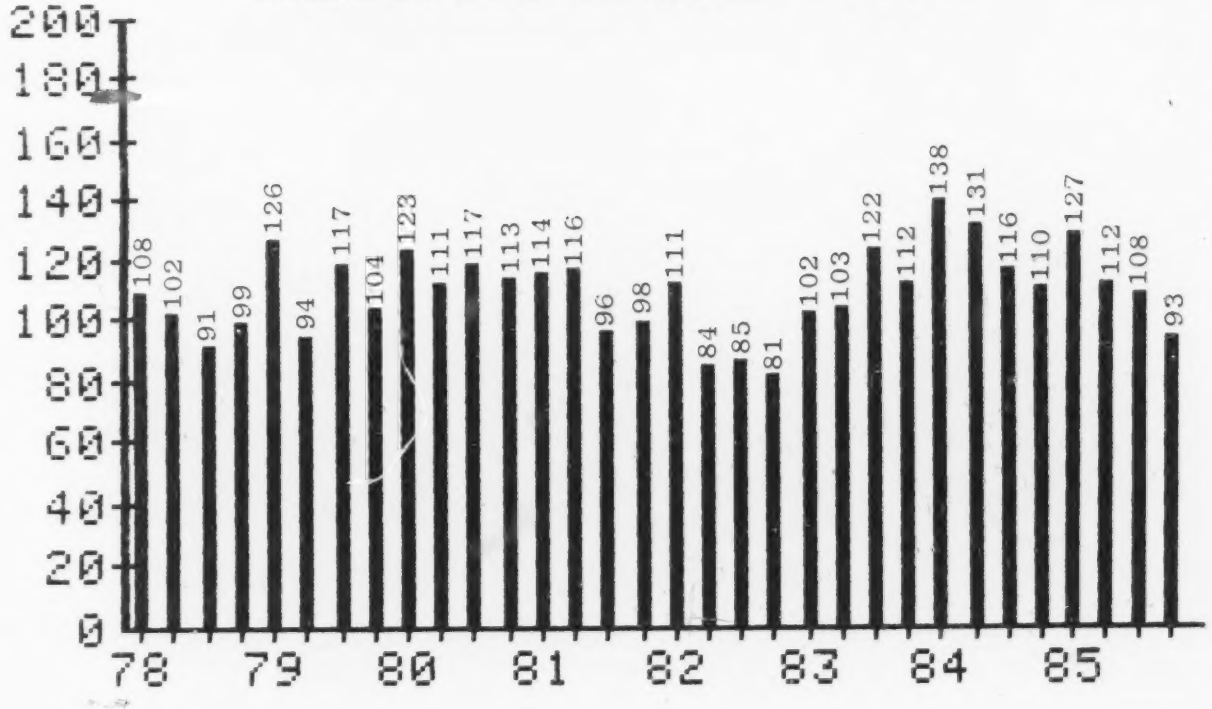
EXECUTIVE DEMAND INDEX



100 = Mean quarterly demand during 1978

EXECUTIVE FUNCTION/REGION

Percentage Change

Full year 1985 / Full Year 1984

Executive Function	Region*					
	Northeast	Midwest	Southeast	Southwest	West	International
General Management	-26	-8	-6	-56	-9	**
Finance	-2	-6	+11	-10	-15	-53
Operations	-11	-18	+1	-4	-25	-46
Marketing and Sales	-4	-20	-16	-17	+1	**
Engineering and Science	0	-18	-33	-30	-28	+36
Personnel	-26	-4	+21	-43	-14	**
Administration	-15	+18	+28	+8	-4	**

Fourth Quarter 1985 / Fourth Quarter 1984

Executive Function	Region*					
	Northeast	Midwest	Southeast	Southwest	West	International
General Management	-60	+50	**	**	-45	**
Finance	-11	-13	-13	-41	-31	**
Operations	-9	-34	-9	-5	-12	**
Marketing and Sales	-21	-29	+20	-5	-19	**
Engineering and Science	-5	-3	-21	-15	+14	**
Personnel	-21	-16	-13	-19	+30	**
Administration	-29	+7	+39	+13	-32	**

EXECUTIVE FUNCTION/INDUSTRY GROUPING

Percentage Change

Full Year 1985 / Full Year 1984

Executive Function	Industry Grouping*		
	Manufacturing	General Services	Financial Services
General Management	-45	+18	-48
Finance	-15	-10	+10
Operations	-19	-7	+6
Marketing and Sales	-23	+1	+15
Engineering and Science	-25	-3	-13
Personnel	-33	-11	+54
Administration	-16	+14	+15

Fourth Quarter 1985 / Fourth Quarter 1984

Executive Function	Industry Grouping*		
	Manufacturing	General Services	Financial Services
General Management	-56	-17	-30
Finance	-23	-18	-14
Operations	-38	+20	+9
Marketing and Sales	-46	+13	+9
Engineering and Science	-28	+42	+54
Personnel	-38	+11	+10
Administration	-37	+3	+16

REGION/INDUSTRY GROUPING

Percentage Change

Full Year 1985 / Full Year 1984

Region*	Industry Grouping*		
	Manufacturing	General Services	Financial Services
Northeast	-23	+11	+16
Midwest	-20	-4	+11
Southeast	-2	-8	+4
Southwest	-28	-10	+3
West	-29	-7	+9
International	-68	-14	**

Fourth Quarter 1985 / Fourth Quarter 1984

Region*	Industry Grouping*		
	Manufacturing	General Services	Financial Services
Northeast	-40	+11	+22
Midwest	-31	+15	-10
Southeast	-32	+24	+41
Southwest	-55	+14	-5
West	-30	-3	-15
International	**	**	**

**Only source data with clear specification of region and industry grouping are classified as such.*

***Sample too small for meaningful comparison.*

OVERVIEW

Percentage Change

Region*	Full Year 1985/ Full Year 1984	Fourth Quarter 1985/ Fourth Quarter 1984	*Proportion of Total Executive Demand (1.00 = 100%)*
Northeast	-7	-16	.32
Midwest	-13	-19	.17
Southeast	-5	-1	.11
Southwest	-14	-15	.14
West	-14	-17	.17
International	-47	-63	.01
Executive Function			
General Management	-31	-44	.02
Finance	-6	-18	.19
Operations	-13	-16	.24
Marketing and Sales	-10	-17	.25
Engineering and Science	-17	-8	.14
Personnel	-21	-16	.06
Administration	-2	-11	.10
Industry Grouping*			
Manufacturing	-22	-37	.36
General Services	-2	+10	.40
Financial Services	+8	+1	.18
Overall Change	-11	-16	1.00

**Only source data with clear specification of region and industry grouping are classified as such.*

The six geographic regions are defined as follows:

Northeast
Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

Midwest
Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

Southeast
Alabama, Florida, Georgia, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia, and the District of Columbia.

Southwest
Arkansas, Louisiana, New Mexico, Oklahoma, and Texas.

West
Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming.

International
Any area outside the United States.

Executive positions are divided into seven functional categories: General Management (positions such as President, Executive Vice President, and Division General Manager), Finance (positions such as Vice President of Finance, Controller, and Treasurer), Operations (positions such as Vice President of Manufacturing, Manager of Quality Control, and Project Manager), Marketing and Sales (positions such as Director of Sales Promotion, Vice President of Marketing, and Product Manager), Engineering and Science (positions such as Chief Engineer, Director of Plant Maintenance, and Vice President of Research and Development), Personnel (positions such as Director of Industrial Relations, Director of Compensation, and Manager of Manpower Planning), Administration (positions such as Vice President of Public Relations, General Counsel, and Manager of Office Services).

Companies are classified into three industry groupings: Manufacturing (companies that produce tangibles such as consumer products, basic materials, and machinery), Nonmanufacturing (companies in businesses such as transportation, health care, publishing, retail trade), Financial Services (companies involved in banking, real estate, insurance, and leasing).

TERMS AND EXPLANATIONS

This report analyzes the results of the AY/ERC Executive Demand Index for the current quarter. The index is compiled by sampling advertisements in major business publications, and the statistical methodology used is designed to reflect the demand for top and middle management positions in profit-oriented businesses. The demand has been analyzed by geographic region, executive function, and industry grouping.

We are pleased to send you these quarterly reports of the Arthur Young Executive Demand Index. If you believe that others in your organization would find this report useful and interesting, please write to: Arthur Young Executive Resource Consultants, 277 Park Avenue, New York, New York 10172.